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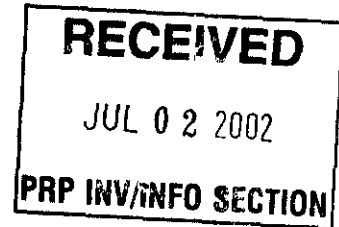
Philadelphia Gas Works



800 W. Montgomery Avenue, Philadelphia, PA 19122
Telephone: (215) 236-0500

Direct Dial (215) 684-6145

July 1, 2002



United States Environmental Protection Agency
Region III
1650 Arch Street
Philadelphia, PA 19103-2029

Attention: Ms. Carlyn Winter Prisk

**RE: Required Submission of Information
Lower Darby Creek Area Superfund Site - Clearview Landfill, Folcroft Landfill,
and Folcroft Landfill Annex**

Dear Ms. Prisk:

On behalf of Philadelphia Gas Works, kindly accept the following in response to your inquiry dated April 15, 2002. PGW responds as follows to the questions contained on enclosure F:

1. Philadelphia Gas Works
800 W. Montgomery Avenue
Philadelphia, PA 19122
 - a. N/A
 - b. N/A
 - c. Philadelphia Facilities Management Corporation. See attached Management Agreement.

7. See answer to 6 above.

- a. See answer to 6(a) above
- b. See answer to 6(b) above.
- c. See answer to 6(c) above.
- d. See answer to 6(e) above.
- e. Unknown as to iron oxide. Tar was sold to various purchasers and no records were found.
- f. Unknown to PGW.

8. a. PGW knows that Tri-County Hauling removed certain materials. PGW has no records reflecting whether PGW or an independent entity engaged Tri-County Hauling.

- b. Late 1975 through 1976.
- c. On information and belief, the items hauled by Tri-County Hauling included scrap metal and obsolete equipment, including blowers, from PGW's generator house, purifying houses and boiler room.
- d. Quantity was 774 cubic yards in December, 1975 and 68 cubic yards in early 1976.
- e. The manner in which such material was contained for shipment or disposal was trucks and dumpsters.
- f. The location to which such material was transported for disposal is unknown to PGW.
- g. The person who selected the location to which such material was transported for disposal was Tri-County Hauling.
- h. The individuals employed by Tri-County Hauling are unknown to PGW.
- i. Please note that all trip tickets in possession of PGW were received from the EPA and are attached hereto.

9. Tri-County Hauling should have the information requested in number 9.

- a. Unknown to PGW.
- b. Unknown to PGW.

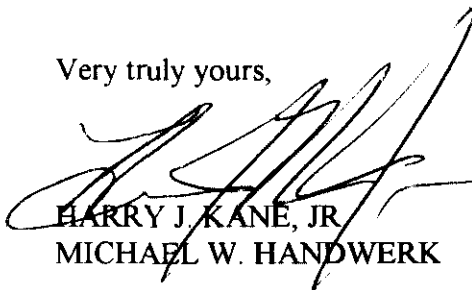
- CONFIDENTIAL
6-20-78
- c. Unknown to PGW.
10. a. Unknown to PGW. PGW only has hauling records which were provided by the EPA to PGW.
- b. Unknown to PGW. Other than to state that it consisted of scrap metal and obsolete equipment from PGW's generator houses, purifying houses and boiler room.
 - c. 774 cubic yards, 68 cubic yards.
 - d. The location to which the material was disposed of or treated was unknown to PGW.
 - e. See attached trip tickets.
11. No.
12. Unknown to PGW.
13. No.
14. Other than Tri-County Hauling, unknown.
15. a. Michael Handwerk, Director of Operations Compliance and Technical Services
C/o Philadelphia Gas Works
800 W. Montgomery Avenue
Philadelphia, PA 19122
(215) 684-6544
- Harry J. Kane, Jr., Senior Attorney
C/o Philadelphia Gas Works
800 W. Montgomery Avenue
Philadelphia, PA 19122
(215) 684-6145
- b. See answer to (a) above.
16. a. Document retention policy is attached.
- b. Records concerning previous maintenance activities and waste disposal, including the demolition of PGW's South Yard buildings were destroyed in 1978. Upon information and belief, they were trashed.

c. PGW believed that the trip tickets provided to PGW by the EPA would have been included along with other documentation.

d. These documents were destroyed under the direction of Donald Baker.

PGW trusts that this response satisfies the EPA's concerns in this matter. PGW respectfully reserves the right to supplement this response upon the discovery or receipt of new information. We are of course prepared to work with the EPA in any fashion to facilitate any future inquiries. Please feel free to contact the undersigned.

Very truly yours,



HARRY J. KANE, JR.
MICHAEL W. HANDWERK

HJK/cop
Enclosure

**AMENDED AND RESTATED
CITY-PFMC MANAGEMENT AGREEMENT
(AS AMENDED THROUGH JUNE 25, 2002)**

This AMENDED AND RESTATED AGREEMENT made as of the 25th day of June, 2002, by and between THE CITY OF PHILADELPHIA (hereinafter called "City"), and the PHILADELPHIA FACILITIES MANAGEMENT CORPORATION, a corporation organized and existing under the laws of the Commonwealth of Pennsylvania (hereinafter called "Company"),

WITNESSETH:

WHEREAS, the City is the owner of a group of real and personal assets known as the Philadelphia Gas Works ("Gas Works"); and

WHEREAS, the City desires to provide quality gas and electric services to its citizens at reasonable rates through the Gas Works; and

WHEREAS, the Gas Works' Strategic Plan contains among its five strategies product and market expansion; and

WHEREAS, an increase in the Gas Works' revenues will lessen the financial burden from competition in the gas business and therefore lessen the financial burden on current gas customers; and

WHEREAS, the Company is a non-profit corporation organized for the specific purpose of operating the Philadelphia Gas Works; and

WHEREAS, the Council of the City of Philadelphia has authorized the City to enter into an agreement with the Company on the terms and conditions herein by the following Ordinances: Bill #455 (approved December 29, 1972), Bill #1021 (approved December 14, 1973), Bill #1870 (approved May 30, 1975), Bill #396 (approved November 1, 1976), Bill #1410 (approved June 22, 1978), Bill #1874 (approved April 10, 1979), Bill #1948 (approved June 11, 1979), Bill #319 (approved September 5, 1980), Bill #320 (approved September 5, 1980), Bill #321 (approved September 5, 1980), Bill #750 (approved June 23, 1981), Bill #1315 (approved September 22, 1982), Bill #1314 (approved December 3, 1982), Bill #787 (approved April 11, 1990), Bill #1258 (approved December 28, 1995), Bill #970647 (approved October 30, 1997), Bill #980456 (approved June 25, 1998), Bill #000583 (approved November 15, 2000), and Bill #020246 (approved May 15, 2002); and

WHEREAS, by resolution duly adopted on June 25, 2002, the Board of Directors of the Company has authorized the Company to enter into this amended and restated Agreement with the City;

NOW, THEREFORE, the parties to this Agreement, intending to be legally bound, agree as follows:

SECTION I

General

1. The City hereby authorizes Company on the terms and conditions herein set forth to manage and operate all the property, real and personal, collectively known as the Gas Works, for the sole and exclusive benefit of City; provided, however, City may retrieve from the Gas Works any property or equipment which City determines to be unnecessary to the efficient and economic operation of the Gas Works.

2. City, to the extent that it has or shall have the authority or power so to do, authorizes and empowers Company to maintain, change, alter, replace, repair and operate the Gas Works and appurtenances along and beneath the surfaces of the highways, streets, avenues, lanes, alleys, ways and public places in City, for the supply and distribution of gas, subject to provisions hereinafter set forth. For these purposes Company may enter upon, occupy and open all said highways, streets, avenues, lanes, alleys, ways and public places, and supply and distribute gas through pipes laid therein.

3. (a) Subject to the limitations of subparagraphs 3(b) and 3(c), City, to the extent it has or shall have the authority or power so to do, authorizes and empowers Company to operate the Gas Works for the acquisition, marketing, brokering, aggregation and supply of electric power to persons, businesses and other entities situate within the City of Philadelphia. This authorization shall be exercised through a Venture Agreement with QST Energy, Inc. (the "Venture Agreement") relating to the PECO Energy Company Electric Pilot Program which Company is further authorized to negotiate. The Venture Agreement shall provide for such steps as may be necessary to acquire, market, broker, aggregate and supply safe, efficient and reliable electric power within the City and such other terms and conditions as the City Solicitor deems necessary or appropriate in the interests of the City.

(b) Company shall take no action of any kind to carry out the authorization set forth in subparagraph 3(a) after December 31, 1998 without further City Council authorization by ordinance. Any request to extend the authorization beyond December 31, 1998 shall be made no later than May 1, 1998 and the request for extension shall be submitted along with a report showing how well and whether the pilot program has performed in meeting the following performance goals:

The Gas Works' articulated performance goals include: (i) obtaining one thousand customers in all customer classes; (ii) testing the effectiveness and the adaptability of the Gas Works' current application and technology processes and procedures as they apply to a competitive business environment; (iii) no out-of-pocket costs to the Gas Works; (iv) retaining

90% of customers who have selected PGW/QST; (v) obtaining one hundred customers who had originally selected other competitors as their supplier; and (vi) achieving a customer satisfaction rating of 7 (on a scale of 1 to 10) as determined by customer surveys.

Within ten (10) calendar days of the effective date of the Venture Agreement, the Gas Works shall provide a written report to the Mayor, City Council and the Gas Commission regarding the plan to meet its obligations in subparagraph 3(c)(iii). In addition, the Gas Works shall provide a written monthly status report to the Mayor, City Council and the Gas Commission regarding the progress made in attaining each of the foregoing performance goals in the preceding month. The report shall be submitted to the Mayor and filed with the Gas Commission and the Chief Clerk and the Council President on the 15th day of each month.

(c) Any other provisions of this Agreement to the contrary notwithstanding, the authorization set forth in subparagraph 3(a) is granted subject to the satisfaction of the following conditions:

(i) The Venture Agreement with QST Energy, Inc. must be approved or confirmed by City Council Resolution prior to the adoption, by ordinance of City Council, of Bill No. 970647.

(ii) QST Energy, Inc. shall indemnify, defend and hold harmless the City, the Gas Works and Company, and their respective officers, directors, employees and agents, from any and all losses, costs (including, but not limited to, litigation costs and counsel fees), claims, suits in law or equity, actions, damages, liability and expenses arising out of or relating to the acquisition, marketing, brokering, aggregation, operation, supply, and/or distribution of energy in connection with the Venture Agreement, whether caused in whole or in part by any acts or omission of QST Energy, Inc., City, the Gas Works or Company (including their respective officers, directors, agents, employees and contractors). This obligation to indemnify, defend and hold harmless City, the Gas Works and Company, and their respective officers, directors, employees and agents, shall survive the termination or expiration of the Venture Agreement.

(iii) The Venture Agreement shall provide that there is no obligation on the part of City, Gas Works or Company to provide any funds on or after October 23, 1997 in the performance of Company's obligations and duties under the Venture Agreement and the Venture Agreement shall prohibit the expenditure of any City, Gas Works or Company funds other than for the support of in kind contributions provided by existing staff on the Gas Works' payroll. Company shall make no commitment, financial or otherwise to QST Energy, Inc beyond the use of Gas Works' staff, materials, supplies and equipment existing as of October 23, 1997 and in absolutely no event shall any General Fund revenues of the City be made available in support of or in connection with the Venture Agreement.

(iv) The Venture Agreement shall provide that QST Energy, Inc. shall have and maintain insurance in such types and limits as deemed appropriate by the City, including, but not limited to, general liability insurance, workers' compensation/employer liability insurance, automobile liability insurance, and professional liability insurance, all as necessary.

(v) The Venture Agreement shall provide that QST Energy, Inc. shall not compete, directly or indirectly, with the Company in the acquisition, marketing, brokering, aggregation, operation, supply, and/or distribution of electric power or of gas to persons, businesses and other entities situate within the City of Philadelphia, in each instance, for a period of no less than one (1) year after the earlier of the termination or expiration of the Venture Agreement or December 31, 1998, without further City Council authorization.

(d) Additionally, subject to the limitations of subparagraphs 3(d)(1) and 3(d)(2), City, to the extent it has or shall have the authority or power so to do, authorizes and empowers Company to operate the Gas Works for the acquisition, marketing, brokering, aggregation and supply of electric power to persons, businesses and other entities situate within the City of Philadelphia through a venture with a Pennsylvania licensed electricity generation supplier. This authorization shall be exercised subject to the following conditions.

(1) For an interim period beginning no earlier than June 15, 1998 and ending no later than December 31, 1998, the Gas Works is authorized to negotiate and enter into an interim venture agreement (the "Interim Venture Agreement") with a Pennsylvania licensed electricity generation supplier in which that license shall be used as a basis for securing electric supply customers in the interim period. The Interim Venture Agreement shall provide for such steps as may be necessary to acquire customers and market inside the City, together with such other terms and conditions as the City Solicitor deems necessary or appropriate in the interest of the City as follows.

(A) The partner shall be selected on the basis of certain criteria, which shall include but not be limited to:

(i) relevant skills and experience, which may include gas and electricity experience in the wholesale markets, significant national presence, ownership of low-cost electric generation and natural gas assets; and extensive risk management expertise; and

(ii) financial strength, which may include willingness and ability to make a financial commitment to the venture and good record of profitability; and

(iii) other relevant strengths, which may include a good track record for partnering, a corporate culture compatible with that of the Gas Works; exclusive supply and asset management services; and willingness to covenant not to compete in the Gas Works' target markets.

(B) The Interim Venture Agreement shall provide that the Gas Works shall not incur any out-of-pocket expenses and that all such expenses shall be borne by the partner. The disbursement of the Venture gains shall reflect the Gas Works' share of these expenses and shall be delineated in the Final Venture Agreement.

(C) The Interim Venture Agreement shall provide that failure of City Council to approve the Final Venture Agreement by December 31, 1998 shall result in the termination of the Interim Venture Agreement without fault or penalty to the City or the Gas Works.

(2) No later than September 15, 1998, PGW shall submit the Final Venture Agreement to Council for its approval. Approval of the Final Venture Agreement by City Council shall act as authorization for the Company to operate the Gas Works for the acquisition, marketing, brokering, aggregation and supply of electric power to persons, businesses and other entities situate within the City of Philadelphia after December 31, 1998 under such terms and conditions as are set forth in the Final Venture Agreement.

4. During the term of this Agreement, Company will maintain the Gas Works for the sole and exclusive benefit of the City, including all additions, extensions, betterments, and improvements made thereto, in good order and efficient operating condition. Upon termination of this Agreement by expiration of the term or by any other means, City, its agents, servants, or employees shall be entitled without further payment to Company to use all processes established at the Gas Works for the manufacture or distribution of gas of any type or kind or for the acquisition, marketing, brokering, aggregation or supply of electric power pursuant to Section I, Paragraph 3. To the extent that use of any such process is authorized by a contract with a third party, City may at its option either continue the use of such process in accordance with the terms of such contract or may discontinue use of such process.

5. Company shall not assign or subcontract this Agreement or any rights hereunder to any person or corporation, nor delegate any duties hereunder.

6. Company's primary obligation shall be to apply the highest standards of management practice and diligence to the operation of the Gas Works.

7. Company shall provide the following personnel for the operation of the Gas Works:

- (a) a chief executive officer;
- (b) a chief operating officer;
- (c) a chief financial officer; and
- (d) such other personnel as deemed appropriate by Company.

All such personnel shall be subject to the approval of the Gas Commission, which approval shall not be unreasonably withheld. In the event the Gas Commission fails to approve any such personnel they shall be replaced by approved personnel forthwith.

8. Company shall file semi-annual reports with the Gas Commission setting forth all salaries, fringe benefits, expenses and costs incurred by Company in carrying out its duties and responsibilities under the terms and conditions of this Agreement.

SECTION II

Production, Purchase and Delivery of Gas

1. The Company shall take all reasonable steps to insure that the capacity of the Gas Works to manufacture, provide and distribute gas is at all times sufficient for the estimated maximum requirements of gas users in the City of Philadelphia.

2. Company may purchase natural gas or other gas from other parties pursuant to contracts and agreements for such purchases which are first submitted to the Gas Commission for its recommendations and approved by City Council; except that in temporary or emergency situations, Company may purchase natural or other gas from other parties and then seek the approval for such purchase or purchases from the Gas Commission and City Council within 30 days after the initiation of such purchase. In the event such temporary purchase shall be disapproved such supply if continuing shall immediately terminate. Company shall have the right to contract with others for the distribution and/or transmission of such gas to the Gas Works or its facilities which are ancillary, attendant or related in any manner to purchase of gas after such contracts are first submitted to the Gas Commission for its recommendations and approved by City Council.

3. Company, to the extent permitted by the lawfully constituted authorities, may enlarge or extend the facilities for the distribution of gas to an agreed-upon customer meter location as may be necessary to meet the demand for gas. In any situation where such enlargement or extension of the Gas Works' facilities will place an unreasonable financial burden upon the then existing customers, in view of the anticipated revenues to be expected from such enlargement or extension Company shall make reasonable charges for the same as defined from time to time in Company regulations which are approved by the Gas Commission.

4. The intention of this Agreement is that all changes, additions, extensions, betterments, improvements, alterations and replacements in the Gas Works and in the mains, pipes and appurtenances thereof, and in the property needed to meet the demands for gas as herein provided, shall be made in such a way and manner as shall maintain the Gas Works in good order and condition with the best and most economical processes in use that are customary in the best regulated gas works, to the extent permitted by funds available for said purposes.

5. All openings, excavations and repaving shall be made subject to such general rules, regulations, specifications, ordinances and such Acts of Assembly as may apply, as from time to time shall be in force concerning the opening, excavation and repaving of streets and the protection of travel along the same, and the trenches shall be refilled and repaved with the same material and character of paving as before they were opened, unless otherwise ordered by the Streets Commissioner. Refilling and making opening safe for traffic shall be completed by Company within five (5) days after the pipe, services, or mains have been laid, and said repaving shall be completed, weather permitting, within sixty (60) days thereafter.

6. All ordinances, rules and regulations of City regulating the safety of the piping and fixtures of houses or buildings shall be binding upon Company.

SECTION III

Standards of Gas and Electricity

1. *General*

Company may supply straight natural gas in accordance with the standards provided for in the General Terms and Conditions of the supplier Company's Tariffs on file with the Federal Energy Regulatory Commission and incorporated by reference in the Agreements for the purchase of natural gas, to which the Company, City and Supplier companies are parties. Also for supplemental purposes, the Company may, as necessary, supply other gases interchangeable and compatible with natural gas.

Company may supply electric power in accordance with all applicable laws, regulations and standards established or administered by the Federal Energy Regulatory Commission and the Pennsylvania Public Utilities Commission pursuant to Section 1, Paragraph 3 of this Agreement.

2. *Testing--Facilities and Inspection*

Adequate facilities for testing the heating value and purity of the gas shall be provided at the Gas Works' expense and equipped with calorimeters for continuously determining the heating value of the gas, apparatus for determining presence of sulphureted hydrogen in the gas, apparatus for determining total sulphur content, apparatus for determining total ammonia content, apparatus for determining specific gravity of the gas and such other apparatus customary and necessary for such purposes, or which will be found to improve the rapidity and accuracy of such testing.

The location of testing facilities shall be selected by Company, and approved by Gas Commission.

The design and accuracy of all testing apparatus when desired by City, Gas Commission or Company shall be certified by the National Institute of Standards and Technology. [Formerly the United States Bureau of Standards.]

Standards and tests specified herein may be changed and altered from time to time as recommended by Company and approved by Gas Commission.

City and Gas Commission shall have the right at all times by its proper officers, during the term of this Agreement, to test the quality and pressure of gas. Full facilities for these purposes shall be afforded by Company. All such tests shall be made in the presence of a

representative of Company. Accurate written records of such test shall be maintained by Company.

3. *Heating Value--Requirements And Determination*

The monthly average total heating value of the gas, when determined as provided below, shall not be less than 950 British Thermal Units per cubic foot, measured at a temperature of 60° Fahrenheit and a pressure of 30 inches of mercury. The daily average total heating value shall not differ from the monthly average total heating value to such extent as to interfere with the satisfactory functioning of consumer appliances.

The total heating value of the gas shall be continuously recorded daily unless prevented by circumstances beyond the Company's control.

The monthly average total heating value of the gas shall be the average of the daily averages of the total heating value for that month.

The daily average total heating value shall be the average of 24-hourly readings.

4. *Purity--Requirements and Determination*

Sulphureted Hydrogen--The gas shall contain not more than a trace of sulphureted hydrogen. The gas shall be considered to contain not more than a trace of sulphureted hydrogen if a strip of white filter paper moistened with a solution containing five per cent by weight of lead acetate is not distinctly darker than a second paper freshly moistened in the same solution after the first paper has been exposed to the gas for one and one-half minutes in an apparatus of approved form through which the gas is flowing at the rate of approximately 5 cubic feet per hour, the gas not impinging directly from a jet upon the test paper.

Total sulphur--The gas shall contain in each 100 cubic feet not more than 30 grains of total sulphur.

Ammonia--The gas shall contain in each 100 cubic feet not more than 5 grains of ammonia.

5. *Pressure Regulations*

Company shall maintain pressures throughout the City within limits compatible with the satisfactory utilization of gas and as more fully defined in the Rules and Regulations of the Company's Tariff and as approved from time to time by the Gas Commission.

Company shall take pressure readings continuously in representative locations throughout the City, which readings shall be available to representatives of City and the Gas Commission upon request for a period of one year prior to the date of such request, or in compliance with the rules issued from time to time by the Gas Commission.

Gas Commission may order Company by written notice to adjust pressures to acceptable limits for satisfactory utilization of gas, and due diligence shall be employed by Company to adjust pressures at such points to within such acceptable limits. If compliance with the order of the Gas Commission shall require the installation of new apparatus or mains, Company shall be allowed six (6) months, after the necessary financing has been secured to obtain permits for opening of streets and for the laying of the mains and the installation of the necessary apparatus.

SECTION IV

Accounting Methods; Operating Budget and Forecast; Capital Budget and Forecast; Temporary Financing and Financial Statements

1. *Accounting Methods*

(a) *In General*

The accounts and reporting shall be on the accrual methods in which the accounting for depreciation shall be as described in subsection 1(b) herein. The Gas Works revenues and expenses shall be operated and accounted for an extended period basis from July 1, 1981 to August 31, 1981, and on a fiscal year basis commencing September 1, 1982 and terminating August 31, 1983 and from September 1 to August 31 from year to year thereafter. Accounting shall be employed to show separately the operating accounts and the capital accounts. Operating and capital accounts shall follow generally the classifications specified by the Public Utility Commission of Pennsylvania, expanded or altered, as required by the Director of Finance to portray the special charges and special accounting prescribed in this agreement.

(b) *Depreciation*

There shall be established and maintained a reserve for depreciation reasonably estimated to be adequate to care for the retirement (due to exhaustion, wear and tear and obsolescence) of property at original cost. The amount necessary to be credited to the reserve each year for such purposes shall be charged to operations.

(c) *Employee Retirement Costs*

There shall be provided for and charged to operations annually retirement cost for retired employees and employees still in service on the following basis:

For retired employees, the amount necessary to meet current payments to them under their retirement schedules.

An additional amount, as determined by the Director of Finance, shall be placed in a retirement fund to be held and invested by the Sinking Fund Commission. Such additional amount shall be determined by the Director of Finance after taking into consideration the current payrolls, the retirement schedules then in effect applicable to various classes of employees and the extent to which it appears desirable and reasonable to build up such fund in current and future years. To this end, the Director of Finance at appropriate times shall obtain competent actuarial advice and shall have available at all times a report made within the immediately preceding five (5) years by a competent actuary based upon an actuarial investigation of the pertinent factors with the costs to be paid by the Gas Works. Payment out of such funds shall be subject to the approval of the Director of Finance as to amounts and when and how payable.

Any proposed change in the retirement plan, schedule or system recommended by Company first shall be transmitted to the Director of Finance for his approval and then transmitted to City Council for its approval, for which purpose there shall be made available to the City Council an appropriate actuarial report prepared under the direction of the Director of Finance.

No employee of Company shall be entitled to be paid a retirement or separation allowance unless and until he can establish his direct and immediate and exclusive connection as such employee with the Gas Works whether under the present operator or former operator.

All such retirement and separation allowances which are paid during the continuance of this agreement and the terms of which, as so approved, require their continued payment after its termination, shall be thereafter paid by City, or City shall cause the same to be paid by any person succeeding to the operation of the Gas Works.

2. *Budgets*

(a) *Operating Budget and Forecast*

There shall be prepared annually an operating budget for the ensuing year and an operating forecast for four (4) years comprising the ensuing year and the three (3) years next following. Such budget and forecast shall be prepared by Company with the aid of the Director of Finance; shall be consistent with the accounting methods prescribed in Section IV (1); and in general shall be in form and extent satisfactory to the Director of Finance and Gas Commission. The operating budget and forecast shall be subject to the approval of the Gas Commission.

(b) *Capital Budget and Forecast*

There shall be prepared annually a proposed capital budget for the ensuing year and a forecast for six (6) years comprising the ensuing year and the five (5) years next following. Such budget and forecast shall be prepared by Company; shall be consistent with the

accounting methods prescribed in Section IV(1); and in general be in form and extent satisfactory to the Director of Finance and the Gas Commission.

The proposed budget and forecast first shall be transmitted to the Director of Finance and the Gas Commission for their recommendations thereon. The Director of Finance and Gas Commission shall transmit such budget and forecast together with their recommendations thereon to City Council for its approval. The submission of the proposed budget and forecast to the Director of Finance and Gas Commission by Company shall be made in sufficient time for their review and for the Director of Finance and Gas Commission in turn to submit the said budget and forecast together with their recommendations thereon to City Council no later than the middle of the fourth month preceding the beginning of the Gas Works' fiscal year, so that City Council may act on it at least thirty (30) days prior to the next ensuing fiscal year.

The capital budget and forecast shall include a showing of the nature of the proposed capital additions and replacements, the amounts needed therefor and how the funds required are to be supplied as between

- (i) funds generated within the business through charges to customers or otherwise; and
- (ii) funds to be obtained through capital loans.

At any time during the fiscal year, or before the budget accounts are closed for the year, the division between (i) and (ii) above may, if conditions so warrant, be changed or the total thereof increased upon recommendation of the Director of Finance and the Gas Commission and upon approval by City Council.

In the event that capital loans are required in any year under (ii) above, plans therefor shall be submitted to the Director of Finance for approval of the amount of loan and the method of effecting it, and then transmitted to City Council for its approval.

(c) *Expenditures Pursuant to Budgets*

All expenditure and commitments therefor shall be made pursuant to such approved budgets and subject to rules and regulations, if any, promulgated by the Gas Commission in connection therewith.

3. *Temporary Financing*

Short-term loans not exceeding twenty million dollars in amount or twelve months in duration may be negotiated in anticipation of revenues, except that short-term loans exceeding twenty million dollars but not exceeding forty-five million dollars in amount may be negotiated in anticipation of revenues for Fiscal Year 1982 of the Gas Works and may be outstanding during the period July 1, 1981 through June 30, 1982. If such loans are required, plans therefor shall be submitted to the Gas Commission and the Director of Finance for approval of amount of loan.

The amount of any such loan shall also be subject to the approval by resolution or by ordinance of City Council.

The Gas Works may also receive temporary advances from the City in anticipation of revenues which are anticipated to be received by the Gas Works provided that such advances do not exceed twenty million dollars in amount or twenty-four months in duration; provided further, however, that during the period June 30, 1981 through June 30, 1983, and the period September 1, 2000 through August 31, 2002, such advances may exceed twenty million dollars but shall not exceed forty-five million dollars in amount, and may exceed twenty-four months but not exceed seventy-two months in duration. The amount of each such advance shall be subject to the prior approval of the Director of Finance and the Gas Commission and to the approval by resolution or by ordinance of City Council.

In addition to the foregoing authorized borrowings, loans not exceeding one hundred million dollars in aggregate principal amount at any time outstanding may be incurred for financing accounts receivable and the purchase of inventory for the Gas Works, as authorized by applicable law. If such loans are required, plans therefor shall be submitted to the Gas Commission and the Director of Finance for approval of the aggregate principal amount of such loans which may be outstanding at any single time. Such aggregate principal amount shall also be subject to approval by resolution or by ordinance of City Council.

4. *Financial Statements*

Company shall within a reasonable time after the close of the Gas Works' fiscal year furnish to the Mayor, the Gas Commission, the City Controller, the City Solicitor, the Director of Finance and City Council a financial statement of such year in form and extent satisfactory to the Director of Finance and Gas Commission. Such financial statement shall be audited by a certified public accountant in accordance with generally accepted accounting principles.

All books, records and accounts of the Gas Works shall be kept separate and apart from all other books, records and accounts of Company. The City Controller and the Director of Finance and Gas Commission may examine or cause to be examined the books, records and accounts of Gas Works for the purpose of auditing and reporting upon such financial statement to the Mayor, the Gas Commission, the City Council, the City Solicitor and the Director of Finance; and the Director of Finance, Gas Commission and the City Controller shall at all times hereafter, for such purpose or for the purpose of ascertaining any facts in relation to the operation of the Gas Works and the performance of the obligations of Company, have full and free access at all reasonable hours to the related books, records and accounts of Gas Works.

Company shall furnish the Mayor, the Gas Commission, the City Controller, the City Solicitor, the Director of Finance and City Council with copies of regular interim financial or operating reports, prepared for periods within the fiscal year, which any such parties may reasonably request.

SECTION V

Insurance; Eminent Domain

1. *Insurance*

Company shall insure against loss the buildings, machinery, and equipment and other property of the Gas Works and other risks to the Gas Works, all of which shall be insured to the extent that such property and risks of gas companies are usually insured except that the Gas Commission may provide otherwise in its discretion.

2. *Eminent Domain*

In the event that Company shall be lawfully required to remove or reconstruct any portion of the Gas Works, or to acquire additional land or property therefor, in consequence of the taking of any of the land or property of the said Gas Works by the United States, the State of Pennsylvania or the City of Philadelphia, in the exercise of the right of eminent domain, or for any other reason whatsoever, the cost and expense thereof shall be accorded appropriate accounting treatment.

SECTION VI

Gas Commission

1. The Gas Commission as it is presently constituted shall be retained.

2. The Gas Commission shall consist of the City Controller, two members appointed by City Council and two members appointed by the Mayor.

3. The members of the Gas Commission appointed by the Mayor shall be designated for four year terms to hold office until their successors are appointed and qualified. The City Controller shall hold office during his incumbency and until his successor has been elected and qualified. The members of the Gas Commission appointed by City Council shall be designated for four year terms, to hold office until their successors are appointed and qualified. The terms of all members of the Gas Commission shall terminate if this agreement is terminated by either party prior to the expiration of their respective terms.

4. Members of the Gas Commission shall receive compensation as fixed by City Council from time to time.

5. The Gas Commission shall have the power and authority to obtain such professional services and to employ experts, consultants and such other personnel as in its

judgment shall be deemed necessary, their compensation and expenses to be considered an operating expense of the Gas Works.

6. A statement of the expenses of the Gas Commission shall be filed annually by the Gas Commission with the City Controller and copies thereof transmitted to the Mayor, the City Solicitor, the Director of Finance and City Council.

7. Company shall keep the Gas Commission fully informed of its plans for operation, improvement, extension and betterment of the Gas Works.

8. The Gas Commission shall hold regular meetings and shall conduct all Commission business thereat. The City Solicitor and the Director of Finance or their designates or deputies shall and the Chief Executive Officer of the Gas Works or his designates may attend all such meetings of the Gas Commission.

9. The Gas Commission shall have the responsibility for the overseeing of the operation of the Gas Works by the Company. All power not specifically granted to the Company shall reside in the Gas Commission.

SECTION VII

Gas Rates

1. The Gas Commission shall fix and regulate rates and charges for supplying gas to customers, other than the City and the Board of Education, without further authorization of City Council, which (together with revenues for gas supplied to the City and to the Board of Education and other revenues of the Gas Works qualifying as "project revenues" as such term is defined in Section 2 of The First Class City Revenue Bond Act) will, in each fiscal year produce revenues, at a minimum:

(a) Sufficient to pay all of the operation and maintenance costs and expenses of conducting the Gas Works enterprise and to pay the interest and amortization becoming due in such fiscal year on debt incurred for the Gas Works, including, but not limited to:

(i) Charges for depreciation as prescribed in Section IV 1. (b);

(ii) Charges for employees' retirement costs as prescribed in Section IV 1.(c);

(iii) A management fee to Company equal to the actual cost to Company of managing the Gas Works but not to exceed the sum of:

(A) The amount needed to pay or provide for the payment of base salaries for the Chief Executive Officer, Chief Operating Officer and Chief Financial Officer

and to pay the other expenses of the Company, not to exceed the following amounts for the specified fiscal years:

FY1996	\$700,000
FY1997	\$725,000
FY1998	\$750,000
FY1999	\$775,000
FY2000	\$800,000
FY2001 and thereafter	The prior fiscal year's maximum amount adjusted to reflect the percentage change in the Consumer Price Index for All Urban Consumer (CPI-U). All Items Index, Philadelphia, Pennsylvania, United States Department of Labor, Bureau of Labor Statistics, as most recently published and available to the Director of Finance on March 1 of each such fiscal year; and

(B) Incentive compensation, if any, awarded to Company management at the discretion of Company's Board of Directors, in total amount not to exceed \$150,000 per annum and in an amount per employee not to exceed \$75,000 per annum. Incentive compensation shall be payable only pursuant to performance standards established, and performance measured against such standards, by the Board of Directors of the Company. The performance standards shall include standards which the Board of Directors determines, from time to time, to be important for the improved operations of the Gas Works such as the achievement of the Gas Works' financial plan, customer service, billing and collection efficiencies and development of new revenues (other than from general rate increases).

The Gas Works shall reimburse Company against vouchers on the first day of each calendar month for monies expended for the operation of the Gas Works in the previous calendar month.

(iv) Expenses of the Gas Commission; and

(v) All sinking fund charges payable in respect of principal and interest on all obligations of the City issued for or with respect to the Gas Works and, with respect to Gas Works Revenue Bonds issued pursuant to The First Class City Revenue Bond Act, such additional amount as may be required to comply with any rate covenant and sinking fund reserve requirement approved by ordinance of City Council in connection with the authorization or issuance of Gas Works Revenue Bonds.

(b) Sufficient also (together with the excess on a cumulative basis of internally generated funds available for the purposes set forth below in this subparagraph (b) of prior years beginning after June 30, 1974, to the extent that such excess shall not have been applied to such purposes and shall be available for the payment of general expenses of such fiscal year and, subject and subordinate to the payment or provision for payment of all operation and maintenance costs and all sinking fund and sinking fund reserve requirements as set forth in subparagraph (a)

of this subsection 1., together with the excess funds provided by revenues of such fiscal year not required for such purposes):

(i) To make base payments to the City in the aggregate annual *principal* amount of \$18,000,000 payable in the amount of \$4,500,000 on each February 1, March 1, April 1 and May 1, provided that the Gas Works may defer this payment to any time between said due date and June 30 of each year in which event it shall be assessed interest on the principal amount of prevailing rates, to be determined by the Director of Finance and the Gas Works, from the said due date of the date of payment or such different amounts at such different times, not greater in annual aggregate principal amount, as City Council shall prescribe;

(ii) To provide appropriations, to the extent not otherwise provided, for prepayment of debt and for capital additions which have been determined by the Gas Commission to be reasonable and which have been approved by City Council; and

(iii) To provide cash, or equivalent, for working capital in such reasonable amounts as may be determined by Company to be necessary and as shall be approved by the Gas Commission.

(c) Anything to the contrary herein contained notwithstanding, Company may continue to budget and report revenues and expenses in the form and by the methods heretofore used and the Gas Works shall continue to pay out of its revenues all of the expenses set forth in this subsection 1, and all other expenses necessary and proper to the operation of the Gas Works, excepting only the Company's own personnel and administrative costs which are payable out of the management fee. For the purposes of clauses (a) and (b) of this subsection 1., to the extent that operating expenses do not represent an actual outflow of funds (e.g., depreciation) such amount may be included in ascertaining whether revenues are sufficient to meet other costs, expenses and requirements of said clauses (a) and (b). Company shall at all times to the extent of its authority observe and comply with all terms, covenants and provisions of all ordinances enacted by City Council relating to the Gas Works including without limitation, ordinances enacted pursuant to The First Class City Revenue Bond Act authorizing Gas Works Revenue Bonds.

2. Upon any change in the rates for gas, the Gas Commission, at least thirty (30) days prior to the effective date thereof, shall notify City Council and give public notice by advertisement once in one or more daily newspapers having a circulation of at least 10,000 published in the City of Philadelphia, of the rates for gas to be charged.

3. Company shall furnish to the City and the Board of Education, delivered in their various public buildings along the lines of its mains, such amounts of gas as may be required by the City or the said Board. Rates for gas for such public purposes shall be established from time to time by the Gas Commission upon the recommendations of Company and subject to approval by City Council.

4. In connection with any gas rate study or matter related thereto, Company shall furnish the Gas Commission such data as may reasonably be required therefor.

5. In the determination of rate schedules for gas, the Gas Commission shall establish and apply non-discriminatory rates based on suitable and reasonable classification of the services provided, taking into consideration the preparation of such schedules, the nature and purpose of the use, the quantity used, the time of year when used, the available supply of gas and other competing fuels, the maximum demand, and such other factors, including state, and federal laws, regulations or guide lines, as may be appropriate to the economics of the purchase, manufacture, distribution and sale of gas and consistent with the intent and purpose of this ordinance and/or Agreement. Such rates may provide for sufficient revenue to stabilize them over a reasonable number of years.

6. If conditions warrant, the Company shall pay to the City, but only from any excess described in clause (b) of subsection 1. of this Section VII, such amounts, in addition to those set forth in clause (b) (i) of subsection 1. of this Section VII, as may be determined and agreed upon by the Gas Commission and City Council.

7. The Gas Commission is authorized to establish rates for gas users authorizing a reduction in gas rates, in the amount of 20% of charges for non-heating and heating purposes to his residence, for any individual 65 years of age or older, residing in the City of Philadelphia, who directly makes payment to the operator of the Gas Works for gas services at his residence. In order to qualify for any rate reduction a person must first apply to the Philadelphia Gas Works for a rate reduction at least thirty days before the next scheduled meter reading. The reduction shall then take effect at the start of the succeeding billing period.

8. Notwithstanding any provisions to the contrary contained herein, no payments will be made to the City under subparagraph (b) of Paragraph 1 or under Paragraph 6 of this Section VII until the \$20,000,000 Gas Works Temporary Loan Note, Series of 1980, of the City has been paid in full with interest.

SECTION VIII

Purchases and Sales of Non-Gas Items

1. Except in the purchase of unique articles or articles which for any other reason cannot be obtained in the open market, or, except in the purchase or sale of electricity pursuant to Section 1, Paragraph 3, competitive bids shall be secured, pursuant to procurement standards adopted and promulgated by the Gas Commission, before any purchase, by contract or otherwise, is made or before any contract is awarded for material and supplies, construction, alterations, repairs or maintenance or for rendering any services to Company other than professional services or for the purchase of any other item, thing or service, and the purchase shall be made from or the contract shall be awarded to the lowest responsible bidder.

2. All residuals and by-products from operations, unserviceable property or equipment shall be sold to the highest responsible bidder pursuant to standards adopted and promulgated by the Gas Commission in a manner similar to that required for awards of contracts for the purchase of goods and services.

3. All acquisitions, sales and leases of real estate proposed by or for the Gas Works by Company shall be submitted to the Gas Commission for its action and approval, and shall be submitted to City Council for its approval by ordinance.

SECTION IX

Legal Services

The Law Department of the City of Philadelphia shall be the legal advisor for the Gas Commission and the Gas Works. It shall supervise, direct, and control all of the law work of the Gas Commission and the Gas Works including, but not limited to, litigation or other legal representation, investigation, and drafting of documents including contracts, bonds and all other legal instruments for the Gas Commission and the Gas Works.

The City Solicitor shall determine whether legal services for the Gas Works shall be performed by other counsel, and in such event he shall designate such counsel and the compensation therefor in his sole discretion.

All legal services rendered, by the Law Department and by other special legal counsel, to the Gas Commission and to the Gas Works shall be billed to the Gas Works and shall be payable out of gas revenues.

SECTION X

Company's Obligations During Disputes

No disputes between City and Company concerning any of the terms or provisions of this Agreement shall release Company from its obligations to manufacture, provide and supply gas in accordance with the terms and provisions hereof during the existence of this Agreement.

SECTION XI

Definitions

The following terms are defined for purposes of this Agreement as set forth below:

1. *Director of Finance* - The Director of Finance of the City of Philadelphia.

2. *City Solicitor* - The City Solicitor of the City of Philadelphia.
3. *City Controller* - The City Controller of the City of Philadelphia.
4. *Mayor* - The Mayor of the City of Philadelphia.
5. *City Council* - The City Council of the City of Philadelphia.
6. *Streets Commissioner* - The Commissioner of the Department of Streets of the City of Philadelphia.
7. *Gas Works* - All of the property, both personal and real, including mains and pipes, which together constitute the plant and equipment of the Philadelphia Gas Works.
8. *Non-Gas Items* - Non-gas items include but are not limited to every tangible or intangible article, item or thing except natural gas and substitute natural gas.

SECTION XII

Term

The term of this Agreement shall be for a period of two (2) years commencing January 1, 1973. Said term shall be subject to cancellation by City at any time, or upon the expiration of said two (2) years, upon ninety (90) days notice. No such cancellation shall be effective unless and until such cancellation shall have been approved by resolution or ordinance of City Council. In the absence of such notice, the term shall be extended for further two (2) year periods upon the terms and conditions herein.

SECTION XIII

Other Agreements

1. Unless approved by the Gas Commission, no contract or agreement with a third party, including without limitation any union contract covering Gas Works personnel, entered into by Company or at its direction on behalf of the Gas Works during the term of this Agreement shall provide by its terms that it shall terminate or expire in the event that this Agreement between City and Company shall terminate or expire.

2. The City agrees and hereby does, indemnify and hold harmless the Directors, the officers and the employees of Company, individually and collectively, while acting within the scope of their employment, against and from any and all personal liability, actions, causes of

action, and any and all claims made against them whatever in their capacities as Directors, Officers or employees of Company with regard to this Agreement.

SECTION XIV

Counterparts

This Agreement may be executed in counterparts, all of which taken together shall constitute one document.

SECTION XV

Effectiveness

This Agreement shall not be effective or binding upon the parties unless it has been approved by an effective ordinance of City Council and has been ratified by the Board of Directors of Company.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement, the corporate seal of the City of Philadelphia has been duly affixed by the Mayor of said City, and the corporate seal of the Philadelphia Facilities Management Corporation has been duly affixed by an authorized officer thereof, as of the day and year first above written.

THE CITY OF PHILADELPHIA:

By: _____
Mayor

By: _____
Commissioner of Public Property

Approved as to form:
Nelson A. Diaz, City Solicitor

By: _____

PHILADELPHIA FACILITIES MANAGEMENT CORPORATION:

By: _____
President

Attest/Corporate Seal:

By: _____
Secretary

PHILADELPHIA GAS WORKS
MSDS for LIGHT OIL, TAR, WATER EMULSION

1 - Site Specific Information

NO Site Specific Information on file for this Chemical

2 - Section I (General Information)

MANUFACTURER'S NAME: PHILADELPHIA GAS WORKS

EMERGENCY TELEPHONE NUMBER: 1-800-424-9300 (CHEMTREC)

ADDRESS: 1800 N 9TH STREET, PHILA., PA, 19122

CHEMICAL NAME AND SYNONYMS: LIGHT OIL, TAR, WATER EMULSION

TRADE NAME AND SYNONYMS: ASPHALT CUT BACK

CHEMICAL FAMILY: GAS BY-PRODUCT

FORMULA: MIXTURE, NOT APPLICABLE

DATE OF PREPARATION: 03-17-1987

PREPARED BY: ENVIRONMENTAL AFFAIRS

DISCLAIMER: THIS INFORMATION IN THIS DOCUMENT IS BELIEVED TO BE CORRECT AS OF THE DATE ISSUED.

HOWEVER, NO WARRANTY OF MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE, OR ANY OTHER WARRANTY IS EXPRESSED OR IS TO BE IMPLIED REGARDING THE ACCURACY OR COMPLETENESS OF THIS INFORMATION, THE RESULTS TO BE OBTAINED FROM THE USE OF THIS INFORMATION OR THE PRODUCT, THE SAFETY OF THIS PRODUCT, OR THE HAZARDS RELATED TO ITS USE.

THIS INFORMATION AND PRODUCT ARE FURNISHED ON THE CONDITION THAT THE PERSON RECEIVING THEM SHALL MAKE HIS OWN DETERMINATION AS TO THE SUITABILITY OF THE PRODUCT FOR HIS PARTICULAR PURPOSE AND ON THE CONDITION THAT HE ASSUME THE RISK OF HIS USE THEREOF.

PHILADELPHIA GAS WORKS
MSDS for LIGHT OIL, TAR, WATER EMULSION

3 - Section II - Hazardous Ingredients

MATERIAL	%	TLV (Units)
ASPHALTENES	23	(SEE SECTION V)
PARAFFINS	3	
AROMATICS	22	
WATER	35-40	
MINOR CONSTITUENTS		
BENZENE	0.7	10 PPM
TOLUENE	1.1	100 PPM
ET. BENZENE	0.1	100 PPM
XYLENE	0.9	100 PPM
STYRENE	0.9	50 PPM

4 - Section III - Physical Data

BOILING POINT(INDICATE IF "F" OR "C"):NA

VAPOR PRESSURE(mm Hg):NA

VAPOR DENSITY (AIR = 1):>1.0

SPECIFIC GRAVITY (H2O=1):1.06 @ 70 F

PERCENT VOLATILE BY VOLUME (%):NA

EVAPORATION RATE (= 1):NIL

SOLUBILITY IN WATER:EMULSION.

APPEARANCE AND ODOR:YELLOW-ORANGE TO DARK BROWN LIQUID WITH PETROLEUM
LIKE ODOR.

FORM: LIQUID.

5 - Section IV - Fire and Explosion Hazard Data

FLASH POINT (CLOSED CUP):88 F

PHILADELPHIA GAS WORKS
MSDS for LIGHT OIL, TAR, WATER EMULSION

5 - Section IV - Fire and Explosion Hazard Data (continued)

FLAMMABLE LIMITS:

LEL:

UEL:

EXTINGUISHING MEDIA: DRY CHEMICAL, CO2, WATER SPRAY, OR FOAM.

SPECIAL FIRE FIGHTING PROCEDURES: DOT EMERGENCY RESPONSE GUIDE TEXT #27

SMALL FIRES : DRY CHEMICAL, CO2, WATER SPRAY, OR FOAM

LARGE FIRES : WATER SPRAY, FOG, OR FOAM.

Move container from fire area if you can do it without risk. Stay away from ends of tanks. Cool containers that are exposed to flames with water from the side until well after fire is out. For massive fire in cargo area, use unmanned hose holder or monitor nozzles. If this is impossible, withdraw from area and let fire burn. Withdraw immediately in case of rising sound from venting safety device or any discoloration of tanks due to fire.

UNUSUAL FIRE AND EXPLOSION HAZARDS: NONE.

6 - Section V - Health Hazard Data

THRESHOLD LIMIT VALUE: 0.2 mg/cubic meter ACGIH.
0.1 mg/cubic meter NIOSH.

EFFECTS OF OVEREXPOSURE: THE PRINCIPAL ADVERSE EFFECTS ON HEALTH FROM EXPOSURE TO FUMES ARE IRRITATION OF THE SEROUS MEMBRANES OF THE CONJUNCTIVAE AND THE MUCOUS MEMBRANES OF THE RESPIRATORY TRACT.

EMERGENCY AND FIRST AID PROCEDURES: FIRST AID ACTIONS - DOT EMERGENCY RESPONSE GUIDE TEXT # 27. MOVE VICTIM TO FRESH AIR. CALL EMERGENCY MEDICAL CARE. IF NOT BREATHING, GIVE ARTIFICIAL RESPIRATION. IF BREATHING IS DIFFICULT, GIVE OXYGEN. IN CASE OF CONTACT WITH MATERIAL, IMMEDIATELY FLUSH EYES WITH RUNNING WATER FOR AT LEAST 15 MINUTES. WASH SKIN WITH SOAP AND WATER. REMOVE AND ISOLATE CONTAMINATED CLOTHING AND SHOES AT THE SITE.

PHILADELPHIA GAS WORKS
MSDS for LIGHT OIL, TAR, WATER EMULSION

6 - Section V - Health Hazard Data (continued)

EMERGENCY ACTIONS - KEEP UNNECESSARY PEOPLE AWAY. ISOLATE HAZARD AREA AND DENY ENTRY. STAY UPWIND. KEEP OUT OF LOW AREAS. WEAR SELF-CONTAINED BREATHING APPARATUS FULL PROTECTIVE CLOTHING. ISOLATE FOR 1/2 MILE IN ALL DIRECTIONS IF TANK CAR OR TRUCK IS INVOLVED IN FIRE. IF WATER POLLUTION OCCURS, NOTIFY APPROPRIATE AUTHORITIES.

7 - Section VI - Reactivity Data

STABILITY (choose one): ☐ UNSTABLE
☒ STABLE

CONDITIONS TO AVOID: HEAT / IGNITION SOURCE.

INCOMPATIBILITY (MATERIALS TO AVOID): NONE

HAZARDOUS DECOMPOSITION PRODUCTS: NONE

HAZARDOUS POLYMERIZATION (choose one): ☐ MAY OCCUR
☒ WILL NOT OCCUR

CONDITIONS TO AVOID: NOT APPLICABLE.

8 - Section VII - Spill or Leak Procedures

STEPS TO BE TAKEN IN CASE MATERIAL IS RELEASED OR SPILLED: DOT EMERGENCY RESPONSE GUIDE, TEXT #27.

SHUT OFF IGNITION SOURCES. NO FLARES, SMOKING, OR FLAMES IN HAZARD AREA. STOP LEAK IF YOU CAN WITHOUT RISK. USE WATER SPRAY TO REDUCE VAPORS.

SMALL SPILLS : TAKE UP WITH SAND OR OTHER NON-COMBUSTIBLE, ABSORBENT MATERIAL AND PLACE INTO CONTAINERS FOR LATER DISPOSAL.

LARGE SPILLS : DIKE FAR AHEAD OF SPILL FOR LATER DISPOSAL.

WASTE DISPOSAL METHOD: RECOMMEND INCINERATION OR A LANDFILL WITH A PERMIT FOR CHEMICAL DISPOSAL.

PHILADELPHIA GAS WORKS
MSDS for LIGHT OIL, TAR, WATER EMULSION

9 - Section VIII - Special Protection Information

RESPIRATORY PROTECTION: WEAR SELF-CONTAINED (POSITIVE PRESSURE IF AVAILABLE) BREATHING APPARATUS.

VENTILATION: A CONSTANT TURNOVER (CIRCULATION) OF FRESH AIR.

LOCAL EXHAUST: OPENED AREA FOR FRESH AIR FLOW.

MECHANICAL (GENERAL): FANS.

SPECIAL: NONE.

OTHER:

PROTECTIVE GLOVES: WEAR GLOVES.

EYE PROTECTION: FACE SHIELDS OF AT LEAST 8 INCHES.

OTHER PROTECTIVE EQUIPMENT: FULL PROTECTIVE BODY SUITS AND BOOTS.

10 - Section IX - Special Precautions

PRECAUTIONS TO BE TAKEN IN HANDLING AND STORING: SEE PREVIOUS SECTION.

OTHER PRECAUTIONS: ENV. AFFAIRS RECOMMEND TO POST AND MARK OFF STORAGE AREA.

REFERENCES : HANDBOOK OF TOXIC AND HAZARDOUS CHEMICALS
NIOSH - POCKET GUIDE TO CHEMICAL HAZARDS
AMERICAN CONFERENCE OF GOVERNMENTAL INDUSTRIAL HYGIENISTS BOOKLET
DEPARTMENT OF LABOR AND INDUSTRY - "RIGHT TO KNOW" CHEMICAL INDEX
DOT - EMERGENCY RESPONSE GUIDEBOOK FOR HAZARDOUS MATERIALS



PGW

**HUMAN RESOURCES DEPARTMENT
PERSONNEL POLICY AND PROCEDURES**

**RECORDS RETENTION
POLICY**

Effective Date: September 1, 2001

Number 011-3

1. Purpose:


To establish an effective records management program for the identification, maintenance, preservation and disposal of PGW records having continuing administrative, fiscal, legal, historical or research value. "PGW records" shall include all books, papers, contracts, emails, maps, photographs, reproductions, sound recordings, machine readable materials, or any other material, regardless of physical form or characteristics, owned by PGW and made or received by any PGW Officer or Department member made in the connection with the transaction of business or appropriate for preservation as evidence of PGW functions, policies, duties, procedures, operations or other activities of PGW or because of the informational or evidential value of the data contained within. "PGW records" shall not include extra copies of original documents and publications for reference or convenience. For purposes of this Policy, Department member shall mean a PGW employee or consultant working within a division, eg. Treasury, Information Technology, etc.

2. General:

1. This Records Retention Policy applies to all PGW Officers and Departments generating or controlling original records or designated "record copies" meaning a copy designated as an official copy of the original record.
2. Each PGW Department shall retain records for the period of time set forth in Appendix A.
3. The Senior Officer of each PGW Department shall designate a senior management staff member as a Records Management Officer who shall act as an intermediary with the General Counsel and who shall adhere to the standards established by this Policy and the Record Retention Schedule.

4. Each Senior Officer and Records Management Officer shall be responsible for compliance with this Policy as part of their job performance accountability. Each Senior Officer shall report the designation of the Records Management Officer, and any subsequent changes in the position, to the General Counsel.

Approved:



Interim Thomas Knudsen, President and CEO

Sept 7, 2001

Date

PHILADELPHIA GAS WORKS
RECORDS RETENTION PROGRAM

OVERVIEW

I. INTRODUCTION

The Philadelphia Gas Works Records Retention Program governs the way PGW retains and disposes of its records. It provides for the preservation and storage of records for legal, administrative, historical or other reasons. It also provides, consistent with legal requirements, for the orderly disposal of records when their useful lives have ended.

II. COMPLYING WITH THE PGW RECORDS RETENTION PROGRAM

PGW's General Counsel has general oversight responsibility for the PGW Records Retention Program. Each PGW Senior Officer is responsible for compliance by employees under his/her supervision. Employees, however, bear the ultimate responsibility for ensuring that they comply with the procedures described below for all PGW records in their own possession.

III. APPLYING THE PGW RECORDS RETENTION PROGRAM

A. Which materials are covered?

The PGW Records Retention Program applies to all PGW records, i.e., all recorded materials that are created or received by PGW in the ordinary course of PGW business. PGW records may appear in any form -- as paper documents, computer disks or tapes, microfilm, photographs, e-mail, videotapes, voice recordings (such as voice mail) and the like. They are not limited to "official" records, but may include such "informal" materials such as telephone messages and your handwritten notes on PGW meetings and other business.

Subject to the very limited exceptions discussed in the next section, every PGW record is PGW's property, no matter who creates it or how PGW receives it. All PGW records are covered by the PGW Records Retention Program, regardless of where they are - in your desk files, elsewhere in PGW's offices, at an offsite storage facility or in any other location.

B. Which materials are *not* covered?

The PGW Records Retention Program does not apply to published information and other materials readily available to the public from sources other than PGW. That means that newspapers, vendor brochures and catalogues, government regulations and similar materials are not covered by the management and disposal procedures discussed below.

Moreover, the PGW Records Retention Program does not apply to copies of records that pertain to you personally and that have been provided to you for your personal use. Thus, pay stubs, medical claim forms, copies of your personnel files, etc., that PGW has furnished to you are not subject to the Program. To manage space and information as efficiently as possible, however, you should observe some basic rules even for materials not covered by the PGW Records Retention Program:

- *Do* limit such materials, as much as possible, to the minimum necessary for PGW business activities.
- *Do not* make unnecessary copies or copy materials in violation of copyright laws.

If you have questions about whether or not certain materials are covered by the PGW Records Retention Program, contact PGW's General Counsel.

IV. CREATING PGW RECORDS

It is costly to maintain, store and dispose of records. When you are thinking of creating a new record, therefore, you should keep these principles in mind:

- *Do not* create unnecessary records.
- *Do not* keep multiple copies (including early drafts) of records, unless there is a compelling reason to do so.
- *Do* include a creation date on the record itself.
- *Do* use clear, simple and accurate language in the record.
- *Do* avoid offensive, embarrassing and otherwise inappropriate language.
- *Do* make the record as short as possible.
- *Do* consult an attorney in the General Counsel's Office if the record may raise legal questions.

V. MAINTAINING AND STORING PGW RECORDS

In maintaining and storing PGW records, follow these procedures:

- *Do* keep PGW records where they can be easily located and reviewed even in your absence.

- *Do* take measures to keep PGW records (and especially those subject to legal requirements) from being exposed to water, heat or anything else that might damage them.
- *Do* safeguard confidential and other sensitive PGW records. This is particularly important if you need to remove PGW records to outside locations (e.g., for use at meetings).

VI. RETENTION PERIODS FOR PGW RECORDS

A. General Principles

Sound policy requires that records be kept for their useful lives and then eliminated. In deciding how long to keep PGW records, follow these principles:

- There is a retention period for every PGW record.
- Unless otherwise provided, no PGW record may be kept beyond the end of its retention period.
- Appendix A is PGW's Records Retention Schedule.
- Exceptions to these general principles are discussed immediately below.

B. Exceptions

PGW records either may or must be retained beyond their ordinary retention periods under these circumstances:

- *In Legal Proceedings*

When PGW is involved in litigation, tax audits or similar proceedings, the General Counsel's Office, with the Chief Executive Officer (or another designated Senior Officer) and your supervisor, may issue a Hold Order. The Hold Order will specify PGW records that you *must not destroy* because they may be involved in the proceedings. When the proceedings end, you will be notified that the Hold Order has been lifted and that the affected PGW records will again be subject to their ordinary retention periods.

- *In Special Circumstances*

In *rare* circumstances not anticipated by these procedures, you may have compelling reasons to keep certain PGW records beyond their ordinary retention periods. As soon as you believe the retention period for a PGW record should be extended, it will be your responsibility to request an extension from your supervisor and to demonstrate a valid business purpose for it. Your supervisor, with the General Counsel's Office, will decide whether to authorize the

extension. Extensions will be granted sparingly and only for the shortest reasonable time periods.

VII. DISPOSING OF PGW RECORDS

Unless covered by one of the exceptions discussed above, every PGW record must be eliminated after the end of its retention period. To assure this happens, follow these procedures:

- *Do review* all PGW records in your possession at least once a year.
- During your review, *do identify and collect* all PGW records whose retention periods have expired at the time of your review.
- *Do eliminate* all such records whose retention periods have expired unless:
 - 1) they are covered by a Hold Order issued because of legal proceedings; or
 - 2) you have received specific permission to retain them.

PGW records identified for elimination should be disposed of in the same way as any other business materials unless they contain confidential or otherwise sensitive information.

VIII. WHEN YOUR EMPLOYMENT WITH PGW ENDS

Every PGW record is the property of PGW even if you created it. When your employment ends, PGW will retain all PGW records then in your possession. You may not remove any copies of PGW records unless the Vice President of Human Resources, the General Counsel and your supervisor have expressly authorized you to do so.

IX. CONCLUSION

If you have any questions about the program, please contact PGW's General Counsel's Office.

APPENDIX A

RECORD RETENTION SCHEDULE

ACCOUNTING AND FINANCIAL

TYPE OF RECORD	RETENTION PERIOD
Accounts receivable and payable	7 years or until tax or other audit (whichever is later) for Accounts Payable; Permanent for Accounts Receivable
Auditors' reports/work papers (Internal)	7 years after the report is issued
Auditors' reports/work papers (External) (Reports of examinations and audits by accounts and auditors not in the regular employ of PGW, eg. reports of public accounting firms, PUC Management and Operational audits, etc.)	7 years after the report is issued
Bank deposit slips, etc.	3 years or until tax or other audit (whichever is later)
Bank statements, reconciliations	7 years or until tax or other audit (whichever is later)
Budget records (maintained by Accounting)	5 years
Canceled checks, generally	7 years or until tax or other audit (whichever is later)

Cash disbursements journal	Permanent
Cash receipts journal	Permanent
Cash card receipts and records	7 years
Collection reports and records (reports or collections of operating revenues by collectors, agents, etc.)	5 years
Construction work in progress ledgers (including authorizations for expenditures, requisitions, etc.)	5 years after clearance to the plant account provided continuing plant inventory records are maintained
Depreciation records	Permanent
Employee expense reports	7 years or until tax or other audit (whichever is later)
Employee payroll records (W-2, W-4, annual earnings records, etc.)	7 years or until tax or other audit (whichever is later)
Financial Statements (annual)	Permanent

Financial Statements (interim/internal)	Permanent
General journal or ledger (including ledgers subsidiary or auxiliary to general ledger and all indexes)	Permanent
Inventory lists	Permanent
Investments	Life of investment or until tax or other audit (whichever is later)
Invoices	7 years or until tax or other audit (whichever is later)
Loan records	7 years after final disposition or until tax or other audit (whichever is later)
Payroll journal and records	7 years or until tax or other audit (whichever is later)
Petty cash vouchers	7 years or until tax or other audit (whichever is later)
Plant Ledgers (ledgers of utility plant accounts including land and other detailed ledgers showing the cost of the utility plant)	Permanent

COMMITTEES

TYPE OF RECORD	RETENTION PERIOD
Agendas of meetings ➤ Committees with board authority (i.e., board executive committee) ➤ Committees without board authority ➤ Others	Permanent 5 years Discretionary – 1-5 years
Minutes of meetings ➤ PFMC board meetings ➤ Committees with board authority ➤ Committees without board authority ➤ Others	Permanent Permanent 5 years Discretionary – 1-5 years
Others ➤ Committee files (correspondence, etc.) ➤ Committee rosters ➤ Workshop reports, conference materials, etc.	5 years 10 years Discretionary – 1- 5 years

CONTRACTS AND PURCHASING

TYPE OF RECORD	RETENTION PERIOD
Employment contract files	7 years after expiration or until the conclusion of any contract disputes, whichever is later
General contracting files	7 years after expiration or until the conclusion of any contract disputes, whichever is later
Service Contracts (such as professional services, etc.)	7 years after expiration or until the conclusion of any contract disputes, whichever is later
Minor contracts (for contracts of limited duration totaling less than \$1,000)	7 years after expiration or until the conclusion of any contract disputes, whichever is later
Gas sales records and gas sales contracts	7 years after expiration or until the conclusion of any contract disputes, whichever is later
Purchase Orders	7 years

Purchase records (including invoices)	7 years
Records of materials and supplies received and issued throughout the company	7 years
Memoranda essential to clarifying or explaining provisions of contracts or purchase orders listed above	For same period as contracts/purchase orders to which they relate
Supporting documentation including bids or request for proposals evidencing all relevant elements of procurement	7 years

CUSTOMER RECORDS AND COMPLAINTS

TYPE OF RECORD	RETENTION PERIOD
Customers' service application records and inspection orders	4 years or until the conclusion of any contract disputes, whichever is later
Customer's guarantee deposits	4 years or until the conclusion of any contract disputes, whichever is later
Customers' account adjustments	4 years or until the conclusion of any contract disputes, whichever is later
Formal complaints to PUC (complaints heard before an Administrative Law Judge)	4 years
Informal complaints to PUC (complaints heard before the Bureau of Consumer Service)	4 years
Reports of inspections of customer's premises	3 years
Meter reading sheets and records	3 years or as may be necessary to comply with other rules
Connection and disconnection orders	3 years or as may be necessary to comply with other rules

CORRESPONDENCE

TYPE OF RECORD	RETENTION PERIOD
Correspondence generally	Ordinary correspondence should be retained for no more than 1 year, and may be disposed of before then if there is no valid business reason to retain it for that

	<p>full period.</p> <p>Correspondence relating to records covered elsewhere in this appendix is subject to the same retention periods set forth for those records. (For example, correspondence that is part of a contract or that is important in clarifying certain points in a contract would be subject to the retention periods shown in "Contracts and Purchasing.")</p>
<p>Litigation-related correspondence: Correspondence likely to be relevant to supporting PGW's defense in potential or actual litigation, arbitration or similar proceedings</p>	<p>Until proceedings are completed or otherwise resolved</p>
<p>Policy-related correspondence: Correspondence containing formal statements of PGW's policy</p>	<p>Until obsolete or superseded</p>

ELECTRONIC RECORDS

TYPE OF RECORD	RETENTION PERIOD
<p>E-mail</p> <ul style="list-style-type: none"> ➤ "Inbox" and "folders" e-mail ➤ "Sent" e-mail ➤ "Trash" e-mail 	<p>90 days</p> <p>30 days</p> <p>15 days</p> <p>Note: If there is a compelling reason to retain any e-mail beyond the retention periods show here, the e-mail should be archived or printed in hard copy. It will then be subject to the same retention periods applicable to other correspondence. (See "Correspondence" above.)</p>

EMPLOYMENT

TYPE OF RECORD	RETENTION PERIOD
Beneficiary designation form	6 years after death of employee
Disabled employee accommodation records	3 years after termination
Employee earnings/payroll records	5 years or until tax or other audit (whichever is later)
Employee files (including performance evaluations, employment actions, EEO information, etc.)	6 years after termination
Employee pension records (including service, eligibility, personal information, pensions paid, etc.)	6 years after final disposition
Employment advertisements	1 year
Employment applications (non-employees)	1 year
Employment contracts	6 years after final disposition
EEO-1	3 years
Family Medical Leave Act records	4 years
Garnishments	5 years
Harassment complaints, investigations and resolutions	Termination of all persons involved, plus 3 years
Immigration documentation (Form 1-9, etc.)	3 years after hiring, or 1 after termination (whichever is later)

Insurance records	6 years after termination, death, claim settlement or last payment (whichever is latest)
Pension – individual employee records (including service, eligibility, personal information, pensions paid, etc.)	6 years after final disposition
Pension and benefits – plan documents	Permanent
Recruitment, hiring, interview and selection records	3 years
Savings and investment plan records	6 years after employee receives distribution
Time cards/attendance sheets	4 years
Workers' compensation records	5 years after final disposition

GOVERNMENTAL AND REGULATORY AFFAIRS

TYPE OF RECORD	RETENTION PERIOD
Administrative/legislative/regulatory materials (for completed work – general)	2 years after completion
Administrative/legislative/regulatory materials (for continuing or recurring work)	Until obsolete or superseded
Rate schedules	6 years after rate sheets are superseded

INSURANCE

TYPE OF RECORD	RETENTION PERIOD
Accident reports	6 years after final disposition
Insurance claims (eg. records in connection with claims presented against the company in connection with accidents resulting in damage to the property of others or personal injury.)	6 years after final disposition
Insurance policies	Permanent
Insurance premiums and other records (eg. papers, reports, statement of witnesses, etc. necessary to the support or rejection of individual claims against the company.)	6 years after expiration or until final disposition (whichever is later)

LEGAL

TYPE OF RECORD	RETENTION PERIOD
Arbitration/claims/litigation files	10 years after final disposition
Copyright, patent, service mark and trademark registrations and opinions	Permanent
Licenses	Permanent
Memoranda of law, opinions, etc.	Until obsolete or superseded

Regulatory policies, guidelines, compliance procedures, directives, etc.	Until obsolete or superseded
Regulatory and compliance acknowledgments, training documentation, etc.	Until obsolete or superseded
Regulatory records and reports	As required by regulation, registration permit, order or agreement
Releases	Permanent
Settlements records	Permanent

MARKETING, ADVERTISING AND SALES

TYPE OF RECORD	RETENTION PERIOD
Advertising copy (including costs and other records relevant thereto)	5 years
Advertising verification and information	5 years after date of last ad and/or literature for which claims are verified
Sales documentation	10 years

OPERATIONS AND MAINTENANCE

TYPE OF RECORD	RETENTION PERIOD
Appraisals and valuations made by the company of its properties (includes all records essential thereto.)	3 years after appraisal
The original or reproduction of engineering records, drawings and other supporting data for as-constructed gas facilities	6 years after plant is retired or sold
Maintenance work orders (including authorizations for expenditures and summaries of expenditures)	5 years
Transmission of distribution of gas (including system operators daily logs, compression reports, recording instrument charts, etc.)	1 year if the measurement data have not been disputed or adjusted
Underground storage of natural gas (including well records, reports and logs which include data relating to pressures, injected volumes, etc.; records containing information relating to reservoir gas leakage)	1 year if the measurement data have not been disputed or adjusted

PROPERTY

TYPE OF RECORD	RETENTION PERIOD
Intangible property records (including copyright, patent and trademark registrations, intellectual property licenses, etc.)	Until obsolete or superseded
Leases	10 years after final disposition

Personal property records	Life of asset plus 1 year
Real property records (including title abstracts, opinions, insurance policies, sales agreements, mortgages, deeds, etc.)	Permanent

PUBLIC AFFAIRS

TYPE OF RECORD	RETENTION PERIOD
Creative records	Discretionary – 1–5 years
Historical records (i.e., records associated with persons or events that have made a significant contribution to the broad patterns of the history of PGW)	Permanent
Informational kits	Discretionary – 1–5 years
Press releases	Discretionary – 1–5 years
Publications e.g., Good Gas News, Blue Flame, etc.	Per approved schedules or until obsolete or superseded
Speeches	Discretionary – 1–5 years

TAX

TYPE OF RECORD	RETENTION PERIOD
Income tax payment checks and returns (and supporting documentation)	5 years after final tax liability is determined
Payroll tax returns (and supporting documentation)	5 years after final tax liability is determined
Property tax returns (and supporting documentation)	5 years after final tax liability is determined
Sales and use tax returns (and supporting documentation)	5 years after final tax liability is determined
Tax exemption certificates and records	10 years after expiration
Other taxes	5 years after final tax liability is determined